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SPECIAL REPORT

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DIVERSITY AND CHANGE IN EASTERN EUROPE

CENTRAL INTELLIGENCE AGENCY

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21 June 1963

DIVERSITY AND CHANGE IN EASTERN EUROPE

The countries of Eastern Europe have arrived at a point in their relations with Moscow where they can no longer be considered docile satellites. More and more frequently their national self-interests, rather than bloc interests, are being given primary consideration. While there are numerous practical and intangible factors which hold these countries to Moscow, the USSR realizes it must deal with them by persuasion rather than caveat or direct force.

Satellite Self-Assertiveness

Through a process of evolution starting with Stalin's death, Eastern Europe's ties with Moscow have loosened to the point where the Soviet bloc now is more nearly an alliance of ruling elites sharing commonly professed goals and similar political backgrounds. While this stage was bound to be reached sooner or later, its advent was hastened by Khrushchev's early realization that Stalin's methods in dealing with Eastern Europe were self-defeating and had to be abandoned.

With the adoption almost ten years ago by Moscow of a policy of permissiveness toward Eastern Europe, the stage was set for the regimes there to begin dealing with their countries' particular problems in terms of greater self-interest and to give freer rein to nativist feelings when considering Moscow's policies. Only Albania, however, has actually broken with Moscow.

As Khrushchev recently said to a West German industrialist, he is faced with an emerging younger generation in the satellites eager for the better things in life, particularly consumer goods, food, housing and clothing. By his own admission, Soviet ambassadors can no longer rule in Eastern Europe as they once did. The situation, Khrushchev said, reminded him of the father's problems with the son who has grown too big to spank. There is always that one spanking where the son turns on the father, kicks him in the belly, and sends him reeling.

The desire and willingness of the Eastern European regimes to give precedence to what they conceive to be their own interests gained added impetus in the past year from a number of developments in the bloc. These include the drive accelerated since last June by the bloc's economic organization (CEMA) to effect meaningful bloc-wide planning and integration, some aspects of which infringe on national self-interest. Moscow's feud with the Chinese Communists, for which the Eastern European leaders see no solution, and Albania's apostasy have encouraged the natural, but usually suppressed, tendency of the

Eastern European leaders to assert themselves. Moscow's backdown in Cuba and inertia in Berlin, interpreted in some satellite quarters as evidence of Khrushchev's uncertainty, have also encouraged more independent policy making. Indeed, according to one reliable Polish source, Moscow is no longer providing expected guidance on key policy questions.

Nevertheless, there remain powerful forces which hold the European Communist regimes to Moscow. Aside from a common ideology, these include fear that harder policies would follow an irrevocable break between Moscow and Peiping, and the unacceptability of China's militant policies--which are the antithesis of those favored more and more in Eastern Europe. There is thus little likelihood at this stage of any attempt by the satellites at an armed breakaway from Moscow.

"Many Roads" to Socialism

The past year's developments in the Communist world, in particular Moscow's rapprochement with Yugoslavia and the widening of the Sino-Soviet rift, were accompanied by a broadened interpretation of Moscow's concept of "roads to socialism." By giving the stamp of approval to Yugoslavia as a "socialist" country and ignoring Belgrade's many unique internal policies, Moscow has tacitly accepted, if not sanctioned, more open pursuit in Eastern Europe of policies reflecting national interests.

The USSR in effect is accepting an incipient stage of national communism, most clearly practiced in Poland, for all Eastern Europe. In return the USSR expects undeviating support for its foreign policies and for its position in the dispute with Communist China.

Foreign Policy Differences

While the East European regimes adhere to the general lines of Soviet policies in foreign affairs, some of them have become more independent according to the dictates of their national interests. Poland long has pursued a complementary, rather than identical, foreign policy--except in UN affairs--geared to the general idea that Poland's interests are close to those of the USSR. Even in the sensitive Sino-Soviet dispute, Warsaw maintains broader state relations with Peiping than other bloc countries do. Poland has taken the lead in improving relations with West Germany economically and politically and signed far-reaching agreements with Bonn this spring permitting the establishment of trade offices in Warsaw with semidiplomatic status.

The example of Polish relations with the West may encourage other East European countries to effect more meaningful relations with both the US and West Germany. Hungary seems to be on the verge of reaching a similar agreement with Bonn and, along with Bulgaria

and Czechoslovakia, seems prepared to improve relations with the US.

Rumania also has begun to take a more independent stance. In late March, reportedly without prior consultation with its allies in the Warsaw Pact, Bucharest resumed normal diplomatic relations with Tirana. Rumania alone among the "satellites" has yet to re-establish party contacts with Tito, although Yugoslav-Rumanian economic relations are increasing.

While the USSR and the other bloc countries sharply attacked the Common Market as an obstacle to international trade during the recent meeting of the UN Economic Commission for Europe in Geneva, the Rumanian delegate gave only a short and noncommittal declaration. Later at this meeting, while discussing the economic consequences of disarmament, the Soviets attacked the Western attitude at the Geneva disarmament conference. The Rumanian delegate promptly took the floor to oppose "losing our time and discussing political problems" and to bring the discussion back to the economic and social consequences of disarmament.

In time the differing interests of the regimes in Eastern Europe are likely to exercise greater influence on bloc foreign policies.

Economic Nationalism

Soviet plans to link the East European economies more closely through supranational CEMA planning have brought diverse reactions. The northern industrial countries--especially Poland and Czechoslovakia--support the policy, while Rumania has vigorously opposed proposals which would have the effect of curtailing projects it sees as essential to its national economic growth.

As integration plans are presented by the USSR in CEMA, others--perhaps Bulgaria and Hungary, already reported concerned about CEMA plans--are also likely to question certain moves which once would have been accepted. Kadar's mid-May journey to Poland reportedly was in part for the purpose of discussing the possibility of Hungary's association with Poland, East Germany, and Czechoslovakia--whose representatives have recently met to examine plans for joint development of certain border regions. Hungary reportedly made its approach because of its difficult economic relations with Rumania.

Nevertheless, the East European countries continue to support certain multilateral CEMA-sponsored undertakings--such as Friendship oil pipeline, the electric power grid, and increased coordination of rail and ocean

East Germany: Walter Ulbricht
A problem for his friends as well as his enemies.

Poland: Wladyslaw Gomulka
Plagued by party cliques and diminishing popularity.

Hungary: Janos Kadar
His guideline now is: "He who is not against us is with us."

Albania: Enver Hoxha
Bloc member in name only.

EASTERN EUROPE TODAY

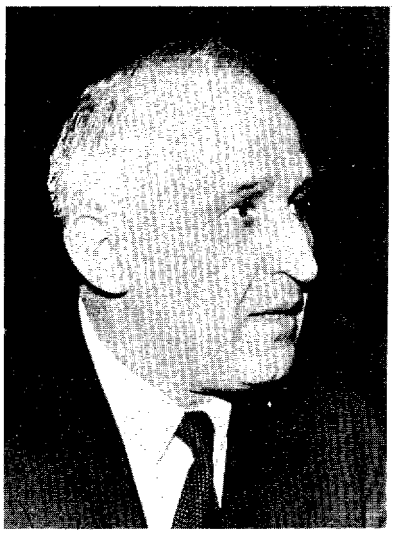
"It is incorrect to evolve a certain model--to adhere to it in relations with other socialist countries. It would be an error to condemn as renegades all those who do not fit that model..."

N. S. Khrushchev,
12 December 1962

Yugoslavia: Marshal Tito
Enjoying renewed legitimacy.

Czechoslovakia: Antonin Novotny
Faces growing pressure for de-Stalinization.

Rumania: Gheorghe Gheorgiu-Dej
Suddenly disobedient to Moscow's CEMA plans.



Bulgaria: Todor Zhivkov
Still Khrushchev's loyal lieutenant.

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freight handling--which link their economies more closely and which they see as advantageous to their national development.

Leadership Problems

Each of the regimes in Eastern Europe is taking on a character and style of its own because of it unique economic, social, and political problems, a development which will tend to result in more diversity. Although still despots, the top party leaders more and more are forced to take account of popular and internal party pressures, particularly as economic problems increase.

Czechoslovak party leader Novotny, by background and inclination a typical Stalini ., is attempting, apparently unsuccessfully to ride out Soviet and internal pressures for de-Stalinization by taking only token measures. The party central committee apparently is divided between Stalinists and a less hard-line element which for over a year has been seeking to force a real relaxation. Having undertaken a very limited de-Stalinization in April, Novotny has since been forced, although this was not his intention, to permit a genuine relaxation of controls over the intelligentsia.

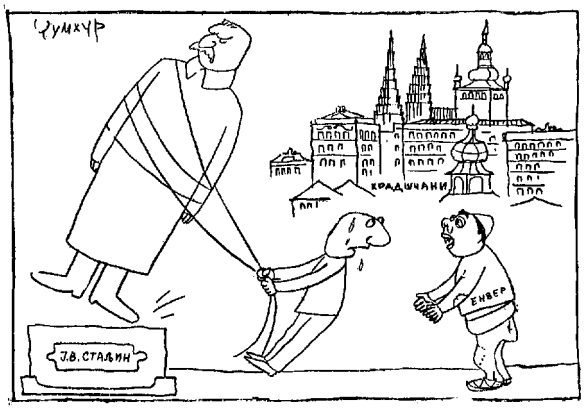
Even more ominous for Novotny personally is the fact that his party colleague, Premier Siroky, long one of the three most powerful men in the regime, has been publicly condemned for Stalinist practices. Since Novotny is tarred with the same Stalinist brush as Siroky, he may lose control of his party, if not his position as its leader, unless he can successfully make policy adjustments toward generally more liberal domestic practices. His initial reaction has been to abandon even his pretense of de-Stalinization.

Ulbricht, in East Germany, continues to enforce hard-line measures and propagate his own personality cult, on grounds that the regime's security and Moscow's German policy demand both. While his party is superficially unified, economic problems already have led to sweeping changes in the structure of party and government. New and technically trained younger men, who seem to be grouping themselves around Erich Honecker, Ulbricht's second-in-command, are rising in the regime hierarchy.

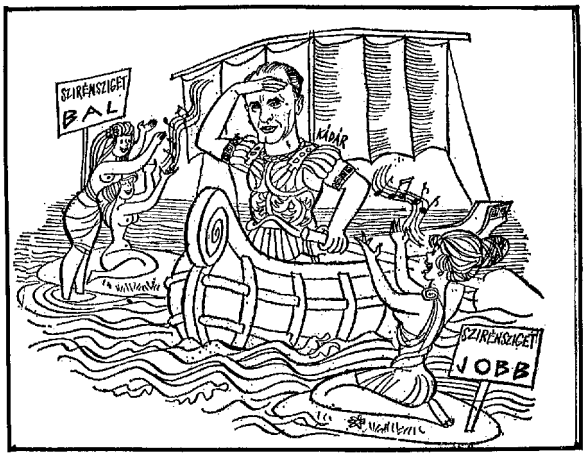
Ulbricht clearly regards the recent political developments in Czechoslovakia as threatening to his own position. The East German intelligence service has ended abruptly its cordial relations with the Czechoslovak service, whose officers it now has under surveillance. Strict control of press coverage of developments in Czechoslovakia has been instituted, and no press references to the cultural liberalization there are permitted in East Germany.

In Bulgaria, party leader Zhivkov, who has tied himself closely to Khrushchev, is sometimes caught between Moscow's pressures and the stolid resistance of his predominantly Stalinist party. Criticized by middle-level party elements for weakness and indecision--perhaps stemming from Soviet indecision--Zhivkov, for all his Russian leaning, is imparting to his regime an increasingly Bulgarian character. Well-known Stalinist Vulko Chervenkov, however, much respected by certain elements within the party, seems neutralized and powerless. Zhivkov also is relying more and more on a younger group of party leaders--opportunists rather than moderates--for dealing with the conservative elements.

In Hungary and Poland, conservatives are entrenched in local party and state offices, but Stalinism, while occasionally disruptive, no longer exists as a potent political force in the leadership. Hungary's Kadar has built up a fairly effective party leadership and--by openly appealing to Hungarian nationalism rather than to party loyalty --is securing some popular cooperation with his "middle road" policies.



Enver Hoxha offering to buy the statue of Stalin in Prague; Hoxha explains: "He is still highly esteemed in our country."
Politika (Belgrade), 10 November 1961



The modern Ulysses--Hungarian party chief Kadar--steers a middle course between the sirens of the "right" and the "left."
Nepszabadsag (Budapest), 17 February 1963

Poland's Gomulka is a practical politician who has gained Khrushchev's confidence and respect for his ability to tailor policies to deal with Poland's particular problems. Nevertheless, Gomulka too is experiencing rising criticism from elements who challenge the seeming indecisiveness of the regime.

Independent and defiant, Albania has a classic Stalinist regime with a flourishing personality cult, convinced that because of its Stalinism it has avoided the problems found elsewhere in Eastern Europe. A closely knit oligarchy, the Hoxha leadership owes its position primarily to its own efforts--not Soviet aid--and to its relatively safe geographical position.

Forces For Change

Among the forces for change in Eastern Europe which have

contributed to the growing diversity are the constant pressures from the intellectuals for more liberal cultural policies and popular discontent over the failure of the regimes to make good on past promises of economic betterment. Writers, artists, journalists, and professional men in nearly all the Eastern European countries are urging greater freedom from party cultural controls and relaxation of restrictions on foreign travel. As a result Khrushchev's 8 March threat of reprisal against writers and artists in the USSR who continue to advocate "ideological coexistence" caused near panic. At the same time it encouraged the conservatives in the bloc to press for the reimposition of harsher controls.

Novotny, for example, parroted Khrushchev's line. He was unwilling, however, or unable, to silence the dissident writers and journalists--especially in Slovakia--and was forced to agree to a more liberal policy than Moscow favored. Ulbricht, on the other hand, pleaded "somewhat different conditions" from those in the USSR and probably has gone further than the USSR in cracking down on writers. He said, "certain works of that kind (on de-Stalinization) may be useful in the Soviet Union ..., but there is no reason why they should be published in the GDR." However, the East German writers have continued to press for change, although in a lower key.

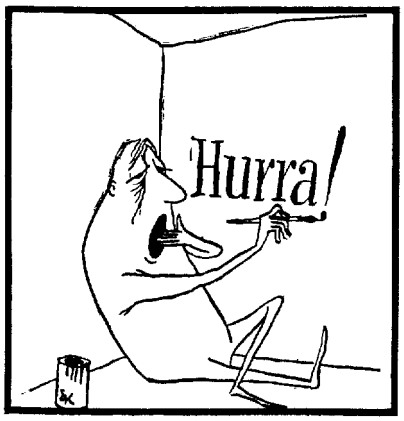
The East European peoples themselves, never really converted to communism but having made varying accommodations to it, now show signs of resentment at their regimes' failures to make good on past promises of more consumers goods and to provide the promised improvement of living standards. Their disenchantment is likely to grow in view of the generally poor economic outlook for 1963 and to force their governments to adopt a variety of measures to meet popular demands, measures which in turn may not fit with bloc plans.

Industrial workers in the northern tier of countries with traditions of effective prewar trade-unionism are growing increasingly restive at the regimes' failure to supply additional incentives and the use of ever-tightening work norms. Strikes and sitdowns broke out in Poland after an unannounced price rise in April. Here and in Czechoslovakia students have joined the workers in demonstrations against the regime. In East Germany workers also are similarly irritated, although less outspokenly. In Czechoslovakia, this is intensified by the popular belief that commitments to underdeveloped countries entail a lower domestic living standard.

Workers in all three countries, stirred by the recent strikes in France and West Germany, have reacted ironically to regime propaganda concerning them. Polish workers, for example, in commenting about the French industrial unrest, ask, "What are they striking for--a second car?"

EASTERN EUROPEAN SATIRISTS VIEW...

... popular commitment to communism:



Polityka (Warsaw), 14 April 1962

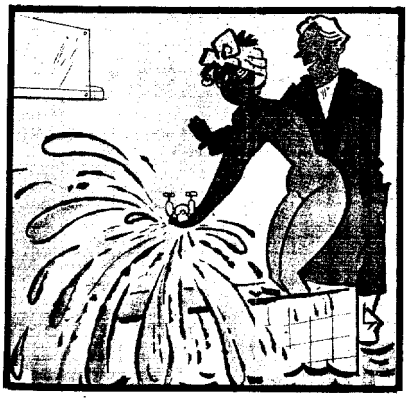
... success of Marxism with the youth:

Szpilki (Warsaw), 7 October 1962

A new fad in Prague schools is the beard. In the class of 1962, the professor is the only one who shaves.

Mlada Fronta (Prague), 4 February 1962

... the Worker's Paradise:



She: "Why didn't I marry a plumber?"
He: "Before you moved into this new building, you should have married a whole crew of repairmen."

Dikobraz (Prague), 12 January 1961

"We've investigated your case thoroughly and there can't be anything wrong with your suit."

Urzica (Bucharest), 31 October 1961

The Outlook

Membership in the Warsaw Pact and in CEMA is among the more traditional forces holding the Eastern European regimes to the USSR, although in the case of the latter it has proven at times to be a source of disagreement. The presence of Soviet troops in or on the borders of the East European countries and Moscow's demonstrated willingness to use them are also obviously a restraining element considered by the regimes' ruling cliques.

There are, in addition, the more subtle and less tangible factors of common ideology and political goals. In the Sino-Soviet dispute, whatever differences the East European countries may have individually with Moscow are overridden by the fact that they cannot accept Peiping's policies and interpretations of dogma. They fear that a victory for Chinese militancy would mean an end to their increasing ability to stand up for their particular local interests, and in foreign affairs would lead to nuclear war.

Among the northern countries, a common fear of a resurgent Germany acts as a cohesive force. In addition, it is generally accepted in Eastern Europe that geography and the results of World War II have placed these countries in Moscow's strategic and economic sphere for the foreseeable future.

Nevertheless, there is an inexorable trend toward more frequent dissent with Moscow when its proposed policies impinge on or threaten national interests. The Kremlin realizes that it is becoming too risky to deal with such dissent by caveat or direct force and that persuasion is the saner course. In bloc councils the desires of the individual countries will have to be taken into consideration and policy decisions affecting Soviet bloc matters will be reached on the basis of a consensus. With time this can only lead to a looser and looser association of the Eastern European states with Moscow. (SECRET NO FOREIGN DISSEM)

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